

# FISCAL NOTE

## HB 2281 - SB 2640

February 8, 2002

**SUMMARY OF BILL:** Specifies that if the owner of owner-occupied real property on January 1 sells such property during the year, then the seller shall not be assessed or identified as the owner for the purposes of collecting property taxes if the seller: 1) pays to the trustee or a third party escrow agent pays to the trustee their estimated pro rata share of property taxes to the date of sale based on the previous year's taxes, 2) provides a notarized affidavit that identifies the property, provides information on the sale, asserts that the seller has paid the estimated share of the taxes on the property, and states that the seller will pay any deficiency between this estimate and the actual tax liability to the date of sale. Requires the seller to provide with the affidavit a copy of the deed of the property to the purchaser. Specifies that if the seller complies with these provisions, the purchaser of the property shall be liable for their pro rata share of property taxes for the portion of the year they owned the property.

### ESTIMATED FISCAL IMPACT:

**Increase Local Govt. Expenditures\* - Less than \$100,000 Recurring  
Exceeds \$100,000 One-Time**

Estimate assumes:

- a one-time increase in local government expenditures for additional supplies and computer system changes in trustee offices across the state to facilitate multiple property tax payments on a single property in a year. This increase is estimated to exceed \$100,000 statewide.
- a recurring increase in local government expenditures estimated to be less than \$100,000 for administrative costs associated with facilitating such multiple payments on a property.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



**HB 2281 - SB 2640**

James A. Davenport, Executive Director

**HB 2281 - SB 2640**